



MALAWI COUNTRY SITUATION REPORT

January 2015

The situation report reflects the emerging and ongoing events unfolding in Malawi due to heavy rains and flooding in parts of the Republic of Malawi as well as the current economic and political situation.

1. HEAVY RAINS AND FLOODS

Torrential rains which starting in December 2014 have caused extensive flooding in the southern districts of Nsanje, Chikwawa, Phalombe and Zomba which were the most affected. Floods have damaged infrastructure and many villages remain cut off by large bodies of water accessible only by helicopter. Fifty four (54) people have been killed and 153 people remain missing in Nsanje District.

The loss of livestock and crops are compounding the devastation for residents who have lost housing and other possessions as well. The number of people affected through damage to crops is estimated at 638,000 people (116,000 households). The number of displaced persons is estimated at 121,000 but is likely to increase as more information becomes available. (DoDMA Situation Report No. 02 (as of 18 Jan 2015)

His Excellency, Professor Arthur Peter Mutharika, President of the Republic of Malawi, declared a State of Disaster in 15 affected districts (out of a total of 28 districts) on 13 January 2015. Government estimates put the number of people affected by the floods at 638 000. (Department of Disaster Management Affairs (DoDMA) Situation Report No. 02 as of 18 Jan 2015

Rescue operations are ongoing in Nsanje and Chikwawa using helicopters and boats in some areas. In places where water had rescinded, the delivery of food and relief supplies have already started. (Daily Times, 20 January, 2014)

2. EMERGING THREATS

2.1. Increases in the cases of Malaria and water borne diseases

The Government of Malawi as well as international development partners and international NGOs have warned to expect an increase in the number of cases of malaria. The large bodies of water in the affected districts may act as breeding ground for mosquitos.

Lack of drinking water and contamination of sewerages and boreholes have also been flagged as potential factors that could lead to out breaks of water borne diseases. (DoDMA Situation Report No. 01)

2.2. Food insecurity and reduced agricultural output

The number of people affected through damage to crops is estimated at 638,000 people (116,000 households).An estimated 116,000 farmers have been affected by floods and 32,000 hectares of farming land have been destroyed.

The flooding in the affected areas may impact on the longer term agricultural output as famers will have to wait for flood waters to recede before replanting. Agricultural output for the affected areas is thus likely to be low and may not be able to meet the needs of communities.

2.3 Education affected by the flooding

A total of 415 schools have been affected of which 234 have had their roofs blown off, Losses in terms of text books and other educational material has also been experienced.

181 school blocks are currently being used as camps for displaced people thereby interrupting the schooling of children. The government has however started providing tents in such areas where the displaced people are staying in school blocks to ensure that learning is not affected.

3. ECONOMIC SITUATION IN MALAWI

3.1. Donor Support not yet resumed

Budget support from Malawi's traditional donors has not yet resumed. Donors felt that although the Government had made strides in improving the financial management system which lead to the looting of millions of dollars from state coffers, in what is commonly referred to as "cashgate" some areas still needed work. Donors however continue to assist Malawi by channeling their funding through UN and other agencies or through civil society organizations.

3.2. Malawi Kwacha stabilized

Although Malawi's economy went through turbulent times in the last quarter of 2014 with the Malawi Kwacha loosing value against the major international currencies, the currency regained its value and stabilized in December 2014. Malawi's foreign currency reserves also increased from 1.3 months to 5.3 months cover.

3.3. Domestic Revenue Increased

With the lack of budgetary support, government however was able to manage its finances through prudent monetary policies and it also put in place measures to increase domestic revenue collection. However Malawi's development budget remains tight.

3.4. Negative impact of Flooding on Food prices

Natural disasters such as the recent flooding could however strongly influence food prices. Investment advisory firm, Economist Intelligence Unit predict that although inflation may decline in the country from 23.7 percent in November 2014 to 15.6 percent in 2015, inflation on food items may however remain the same. (The Nation, January 20, 2015)

4. POLITICAL SITUATION

4.1. Stable Political Environment

Malawi's political situation remains stable after the May 2014 Tripartite Elections in which President Arthur Peter Mutharika became President of the country. President Mutharika has made reconciliatory remarks on several occasions and has indicated that he will not start a witch hunt for his predecessor, Dr Joyce Banda. However rumours continue to circulate regarding the fate of former president Banda.

4.2. Judiciary Strikes

President Mutharika had to contend with a long judiciary strike which started in October 2014 and ended on 9 January 2015 after successful salary negotiations. At the same time staff of the Anti-Corruption Bureau also went on strike for higher wages. These strikes had an impact on the workings of courts and most notably impacted the prosecution of the so called "cashgate" suspects whose trials had been put on hold.

4.3 "Cashgate" Impact on Donor Relations

The urgency for the new government to complete "cashgate" investigations, prosecute those responsible and improve the financial management and administration systems are crucial not only for donor support to resume, but also for civil society organizations which have become more vigilant and outspoken about financial mismanagement. In this regard, a protest march took place on 13th January 2015, against alleged financial mismanagement of Malawi's National Aids Commission.

5. SUPPORT FROM AFRICAN UNION COMMISSION WELCOMED

Her Excellency, Dr Nkosazana Dlamini-Zuma sent a message of support to President Prof Arthur Peter Mutharika and the people of Malawi as an affected Member State. The message was very well received by the Government of Malawi and was much publicized in the various media outlets in Malawi.

Your Excellency, this offer of assistance is welcome and appreciated by the Government of the Republic of Malawi.

Humbly Submitted.

Ambassador Dr. Salif Sada Sall

AU Regional Delegate to Southern Africa

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